

**UTAH PUBLIC TREASURERS INVESTMENT FUND**  
**QUARTERLY UPDATE**  
**September 30, 2007**

**ECONOMIC OVERVIEW:**

For the first time in almost two years the yield curve is no longer flat! Since mid-August, the financial markets have experienced turmoil stemming from the subprime mortgage market and the repercussions are having an impact on the overall economy as well as monetary policy. In response to the fallout from the mortgage market collapse, on September 18, the Federal Reserve cut the Fed Funds rate by 50 basis points, from 5.25% to 4.75%, the first cut in four years.

**QUARTERLY STATISTICS:**

Currently, the PTIF has an average adjusted maturity of 61 days. Approximately 30% of the securities mature or reprice within 30 days, with 91% of the securities maturing or repricing within 90 days. The current portfolio yield on an actual/360 day year is 5.267%. This equates to a 365-day Money Market Mutual Fund yield of approximately 5.340%.

**CURRENT EVENTS AND COMMENTS:**

The goal of the PTIF has always been to provide a safe, liquid, stable alternative investment for public treasurers. As such, our policy has remained unchanged through the recent liquidity crisis which has caused the yields on asset backed commercial paper programs to skyrocket. Despite attractive yields, the PTIF is no longer buying these securities. While the terms, structure and issuers of all these programs vary, they all have had to pay substantially higher rates to fund their programs, and in some cases, have been forced to extend maturities when no liquidity was available. Many of the programs remain legal under the Money Management Act. Due to the complexity of the assets owned by asset backed commercial paper programs, the Treasurer's Office will continue to monitor the risks to determine if they will be used in the future.

***For all pool participants with escrow accounts***, please verify with your bank that pay requests have been deposited into your bank account before disbursing funds.

Please feel free to call our office if we can be of assistance to you. Our telephone numbers are 538-1042, or toll-free 1-800-395-7665.

Sincerely,



Edward T. Alter  
Utah State Treasurer

